

MINUTES
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
BOARD OF DIRECTORS MEETING

DATE: August 31, 2004

PLACE: 550 Olive Street, Santa Barbara, CA 93101

MEMBERS PRESENT: Chair John Britton, Secretary Brian Fahnestock, Director Lee Moldaver, Director Dave Davis and General Manager Sherrie Fisher

Members Absent: All present except Director Rodriguez

OTHERS PRESENT: Steve Maas (Manager of Planning), Lynnette Coverly (Manager of Marketing), and Jerry Estrada (Controller/Assistant Gen. Mgr.), Jim Kemp (Executive Director SBCAG), Steve Musick, Dave Morse (Driver), David Damiano (Community Relations Mgr.), Dr. Dan Secord (SB City Council), Josh Molina (SB News Press)

- 1. Call to Order**
Chair John Britton called the meeting to order at 8:30am
- 2. Roll Call of the Board of Directors**
Chair Britton noted that all Board members were present with the exception of Director Rodriguez.
- 3. Report Regarding Posting of Agenda**
General Manager Fisher reported that the agenda for this meeting was posted at the MTD administrative headquarters and on the MTD Website last week and mailed to media of general circulation.

August 17th Minutes and Cash Report for August 10 through August 23, 2004 were postponed to the next meeting.
- 4. Public Comment**
Steve Musick provided notes on his public comment at the August 3rd meeting regarding the property on Calle Real and AB1937.
- 5. Disposal of Fixed Assets**
Jerry Estrada discussed disposal of retired buses, bus parts and equipment. The board authorized staff to sell the series 100 APS buses, parts and batteries directly to the University of Nevada in Reno, and to sell one electric vehicle "as is" directly to the City of Laguna.

Director Moldaver moved to authorize dispose surplus fixed assets in compliance with all Federal regulations and restrictions for such disposal of assets. Director Davis 2nd the motion.

General Manager Fisher clarified the Boards authorization to sell units directly to the University of Nevada, Reno and the City of Laguna. She also informed the Board that the AMR (American Medical Response) is interested in one of our large retired units to set up as an emergency response location. The board authorized the General Manager to pursue options regarding this request.

Motion passed unanimously.

6. South Coast Transit Priorities

General Manager Fisher distributed a Santa Barbara County Association of Governments (SBCAG) report regarding the South Coast Transit Priorities Congestion Mitigation Air Quality (CMAQ) project. SBCAG staff determined that the project was best split into three categories: (a) services, new and replacement vehicles and superstops for the South Coast; (b) Valley Express service for Santa Ynez, Solvang and Buellton; (c) the Transit Center renovation. SBCAG staff report recommends support of the (a) portion described above; is silent on a recommendation of the (b) section and recommends against the (c) section for Transit Center renovation. SBCAG staff recommends that MTD consider submitting a request at a future funding cycle for this TC project once it is better defined. .

Jim Kemp, Executive Director of SBCAG explained to the Board how SBCAG reviewed and scored these three projects. CMAQ funds are part of a regional flexible funding program that gets apportioned to SBCAG each year by the Federal government, part of a larger source of funds available for regional priorities. Local jurisdictions nominate projects to SBCAG for these flexible funds that are then scored and evaluated using a matrix (earlier explained by Director Moldaver). This source of funds has specific guidelines requiring use that leads to congestion mitigation and vehicular emissions reduction helping the region attain or maintain Federal air quality standards. CMAQ funds for operating can only be used for a three-year period to demonstrate new or expanded transit services.

SBCAG staff is comfortable recommending to the SBCAG board roughly 7.3 million dollars of this total proposed project.

A regional Transit Center is viewed as a good project, but without the necessary information available (i.e. cost, scope, funding and congestion mitigation) it cannot be determined whether or not it is eligible for CMAQ funds. Thus SBCAG staff recommends against funding the TC project at this time.

While the Santa Ynez Valley project qualifies for CMAQ assistance as scored by SBCAG Staff. SBCAG staff recognizes that MTD is ready to go forward with or without SBCAG support.

SBCAG staff forwarded three options to SBCAG board members regarding the Santa Ynez service project: 1) agree to fund the whole \$330,000 operating assistance request, 2) no funding, and 3) split the difference. Mr. Kemp says he would expect that the Sub-Regional Committee would be formulating some recommendations for the full SBCAG board.

Director Davis acknowledged Mr. Kemp's support and concerns. He hopes that SBCAG will recognize that MTD is looking to the future and the need for regional service.

Director Moldaver expressed optimism that funds could become more available after the presidential election through passage of the T-Enhancement Bill. He also hopes that at the end of the three-year trial, ridership levels will prove to support the Santa Ynez service.

Regarding support for the south coast projects, General Manager Fisher reminded the board that the Goleta City Council and Santa Barbara City Council have indicated in their unanimous decision that they intend to support these projects in year four. When MTD Staff presents to the County Board of Supervisors next Tuesday the 7th, the two agencies are proposing a memorandum of agreement that would already set in place the reality of support in year four for Isla Vista service.

General Manager Fisher reiterated that MTD does plan to keep the promise to Santa Ynez whether or not financial support is provided through the CMAQ grant.

Mr. Kemp expressed the importance of the Regional service not just to the Valley but also to the south coast with the number of people who can't afford to live close to their jobs as well as employers in the south coast who need transportation for their employees.

Director Fahnestock questioned some details of the SBCAG funding and how those moneys are divided up.

General Manager Fisher recommended that the board authorize her to forward portions (a) and (b) of the SCTP project to SBCAG as an FTIP amendment. Remove the TC project request for this round of funding, however consider requesting this TC funding at a future time. MTD will ask the City of Santa Barbara to partner in making this request.

Director Davis made the motion to direct General Manager Fisher to go before the SBCAG Board supporting the recommendation of their staff for the (a) portion of the plan. Regarding item (b) MTD would request support for the Santa Ynez Service. Director Moldaver 2nd the motion, motion passed unanimously.

Director Moldaver asked Mr. Kemp to brief the Board and perhaps the press, regarding of Prop 42.

Director Davis requested opening Item #8 out of order, Chair Britton gave the OK.

Mr. Kemp then spoke about Proposition 42 and the State funding provided through State Transportation Improvement Program. Proposition 42 was a ballot measure that was approved by state voters in March of 2002. It required that all sales taxes generated by gasoline sales be used for transportation projects. In the last 3 budget cycles virtually all the Proposition 42 revenues have been diverted through an escape clause employed by the Governor and State Legislature that a fiscal emergency allows the dedicated transportation dollars to be used for General Fund Purposes.

Director Moldaver asked if the State could close some of the loopholes that allow this siphoning off gas tax revenues for unrelated purposes.

Mr. Kemp said Assemblyman Dutra has introduced a constitutional amendment ACA24. This bill would put a firewall around Proposition 42 revenues, to prevent them from being used for non-transportation purposes. The bill appears to be stuck in an assembly appropriations committee.

Director Fahnestock asked Mr. Kemp's opinion that without these moneys from (Prop 42) is it possible to get the funding needed with a State use tax. Mr. Kemp said there are mechanisms that can be explored to raise use fees or other types of tax mechanisms to support MTD service, for example Regional Growth Impact fees, fuel taxes, and even congestion pricing. The transportation funding mechanism in place is called Measure D. The program has been successful; the funds have been used as they were indicated to beat down the road maintenance backlog and to address some of the congestion problems.

7. General Manager's Report

- a) FY2004 Annual Reports for downtown-Waterfront Shuttle, Wharf Woody, Carrillo Commuter Lot Shuttle, and Crosstown Shuttle.

Director Fahnestock questioned the high cost per ride on the Carrillo Lot Shuttle. Discussion ensued.

He also questioned the \$400,000 of subsidy to the Waterfront Shuttle. Why is this the case? Is not the Waterfront Shuttle a mitigation measure for Paseo Nuevo?

Mr. Estrada explained historically the City did cover 100% of the operating costs; MTD's hourly cost had been in the \$50 range, but in the past five years the cost per hour has increased dramatically. A Federal methodology was reviewed that allowed MTD to use three variables, hours, miles and overhead. Industry standards would put the cost per hour at \$85, with this methodology the DWE dropped to \$70 per hour.

Director Fahnestock said the report just discussed is very well prepared. He recommended attached goals.

- b) MTD has been awarded an APTA conference –Ad-wheel award.
Ms. Coverly (Manager of Marketing) would clearly enjoy going and receiving this award. General Manager Fisher recommends the Board send Ms. Coverly to the

Annual APTA conference to receive this award. Director Davis made the motion, Director Moldaver 2nd, motion passed unanimously.

- c) General Manager Fisher then introduced Mr. Morse who had just been promoted to Superintendent of Operations.

8. Other Business and Committee Reports

Director Britton said the Finance Committee has not met since the last Board meeting.

Director Davis noted the inter-government relations committee had an ad-hoc meeting August 10. General Manager Fisher, Director Moldaver and Director Davis met with Council Member Marty Mariscal (City of Santa Maria) and later with Gail Marshall (SB County Board of Supervisors).

Director Davis said he was contacted by the City of Santa Barbara and had an informal discussion with their staff and redevelopment agency and City Attorney regarding the Transit Center redevelopment in the future. He referred that to Mr. Damiano, and General Manager Fisher who are in conversation with them. This is an item Director Rodriguez and Director Davis will add to their next property committee meeting.

9. Closed Session

The board will meet in closed session pursuant to Government Code §54957.6 to discuss labor negotiations with labor negotiators General Manager Fisher and Mr. Jerry Estrada.

Coming out of closed session the Board informed the negotiators to continue labor negotiations with the Union.

10. Adjournment

11:00 am, Director Moldaver made a motion to adjourn, Director Davis 2nd, motion passed.

Approved by Board of Directors on September 14, 2004

Brian Fahnestock, Secretary of the Board